

Message Text

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PAGE 01 STATE 069826

20

ORIGIN ARA-17

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FM SECSTATE WASHDC

TO AMEMBASSY SAN JOSE

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E. O. 11652: N/ A

TAGS: EFIN, CS

SUBJECT: VESCO CASE

1. APRIL 13 WASHINGTON POST FRONT PAGES STORY BY MARLISE SIMMONS DATED SAN JOSE AND TITLED " VESCO FEVER - FAST- MOVING MILLIONS QUICKEN COSTA RICA' S FINANCIAL PULSE." ARTICLE CLAIMS VESCO HAS INVESTED " AT LEAST \$61.1 MILLION ... HOOKED COSTA RICA INTO THE TANGLES OF THE INTERNATIONAL SCANDAL OF INVESTOR' S OVERSEAS SERVICES AND HE HAS TURNED HIMSELF INTO THE MAIN CAMPAIGN ISSUE FOR NEXT YEAR' S PRESIDENTIAL ELECTION' S

2. AFTER REPORTING RECENT SALE OF GULF OIL CONCESSION TO CARI S. A., SALE OF EL MOLINO AND " SOMEONE" BUYING 40 PER CENT OF ROYAL DUTCH HOTEL, ARTICLE DESCRIBES " VESCO FEVER" IN WHICH " IN EFFECT, EVERY BUSINESS TRANSACTION OF ANY IMPORTANCE THESE DAYS IS ATTRIBUTED TO AMERICAN INVESTOR ROBERT L. VESCO."

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PAGE 02 STATE 069826

3. ARTICLE THEN REVIEWS HISTORY OF VESCO INTEREST IN COSTA RICA STARTING WITH ARRIVAL CLOVIS MCALPIN, AND HIGHLIGHTS THEIR RELATIONSHIP WITH PRESIDENT FIGUERES. ARTICLE DESCRIBES ABORTIVE FINANCIAL FREE- ZONE PROPOSAL AS WELL AS BOTH VESCO AND FIGUERES TELEVISION APPEARANCES.

4. POST QUOTES PRESIDENT FIGUERES AS SAYING, IN AN INTERVIEW LAST WEEK THAT " I ' M TOO OLD TO BE SCARED BY THE LAWS OF ANOTHER LAND, OR THE MORALS OF BANKING GROUPS. I ' LL EVEN FIGHT THE WORLD BANK IF THEY WANT TO INTERFERE HERE. MR. VESCO AND HIS ASSOCIATES HAVE NOTHING TO HIDE, AND THEY HAVEN' T STOLEN ANY MONEY." ACCORDING INTERVIEW PRESIDENT FIGUERES THEN REITERATED PREVIOUSLY MADE STATEMENTS CONCERNING FLIGHT OF LATIN AMERICAN CAPITAL NORTHWARD AND JUSTIFIED COSTA RICAN ATTEMPTS TO REVERSE THAT FLOW.

5. ARTICLE CLOSES NOTING THAT VESCO' S FUTURE IN COSTA RICA DEPENDS ON NEXT FEBRUARY' S ELECTIONS AND THAT CONGRESSIONAL INVESTIGATING COMMITTEE IS EXPECTED TO RECOMMEND LEGISLATION FOR GREATER CONTROL OF FOREIGN INVESTMENT. HOWEVER, SINCE PLN CONTROLS CONGRESS, PASSAGE ANY SUCH LAW IS NOT CONSIDERED LIKELY BEFORE ELECTIONS. ROGERS

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*** Current Classification *** UNCLASSIFIED

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